

**CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY**  
**BOND FINANCING PROGRAM**  
**Meeting Date: March 25, 2009**  
*Request for Extension of Initial Resolution*

Prepared by: *Doreen Smith*

<b>Applicant:</b> Twin Bridges Development, Inc. and/or its Affiliates	<b>Amount Requested:</b> \$4,625,000
<b>Project</b>	<b>Application No.:</b> 00781(SB)
<b>Location:</b> Anderson (Shasta County)	<b>Initial Resolution No.:</b> 06-04
	<b>Prior Actions:</b> IR 06-04 Approved 4/25/06

**Summary.** Twin Bridges Development, Inc. (the “Company”) received Initial Resolution Approval on April 25, 2006 to finance the purchase of land, including an existing but non-operational landfill. The project involves the conversion of the landfill site to a Construction and Demolition Debris (C&D) processing center, C&D landfill, and the construction and equipping of a building designed for recycling.

The Initial Resolution is due to expire on April 25, 2009. At this time, the Company is requesting an extension of the Initial Resolution. The project has incurred a property acquisition delay, but otherwise remains as originally described and approved.

**Borrower.** Twin Bridges Development, Inc. incorporated in Nevada on July 31, 2005. The Company is a wholly owned subsidiary of Hydrolve LLC. Hydrolve LLC corporate headquarters is located in Fresno, CA.

The ownership of Twin Bridges Development, Inc. and Hydrolve LLC is as follows:

KRD Investments, Inc.....	40.92%
Caldwell Family Trust .....	14.00%
Steve Zeinfeld .....	8.00%
Ken & Bertha Doran Trust.....	5.00%
Michael Weinstock Trust.....	5.00%
Th Inc. Development .....	4.75%
The Weinstock Family Trust .....	4.00%
F.S.Z.B.K.W.T.F.H.D., LLC .....	3.00%
Various (less than 3% each).....	15.33%
<b>Total: .....</b>	<b>100.00%</b>

**Legal Questionnaire.** The Company submitted an updated legal questionnaire. Staff has reviewed the Company’s responses to the questions and no information was disclosed that raises questions concerning the financial viability or legal integrity of this applicant.

**Prior Actions and Financings.** None.

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**Project Description.** The Company intends to purchase a 160-acre parcel of land, which includes an existing but non-operational landfill, located at 8103 Melville Plains Road, Anderson. The Company anticipates purchasing the property from Timber Management Services, Inc. of Redding. The Company intends to convert the current landfill site to a C&D processing center, C&D landfill, and to construct a new building designed for recycling. The Company also plans to purchase C&D recycling equipment as well as waste collection vehicles to support the new activities.

The following are costs associated with the Project:

Land/Building Acquisition	\$2,500,000
New Equipment Acquisition - 2 Loaders, 2 waste collection vehicles, 1 crusher, 1 shaker & 1 conveyor	1,000,000
New Building Construction	350,000
Site Utility Work	125,000
Permit and Development Fees	400,000
Bond Issuance Expenses	250,000
<b>TOTAL</b>	<b>\$4,625,000</b>

**Anticipated Timeline.** The Company anticipates commencing the construction in the first quarter of 2010.

**Pollution Control and/or Environmental Benefits.** The Company represents the Project will generate the pollution control and environmental benefits described below.

**Waste Diversion.** The Company represents that the C&D material will be tipped onto the floor at the processing facility to identify and remove recyclables and hazardous materials, which will result in a reduction of the amount of waste destined for the on-site landfill. Over 50% of C&D material is generally recyclable, which contributes to the conservation of raw materials such as wood and metals.

**Air Quality/Energy Efficiency.** The Project location is closer to waste generators, which will result in a reduction of truck trips to landfills. The reduced truck trips will ultimately reduce fuel cost, consumption and emissions.

**Other Public Benefits.** Access to the facility by local construction and remodeling businesses will aide in the prevention of illegal dumping on streets and open areas.

**Permits.** The Company will provide the Authority with copies of all required discretionary permits prior to requesting approval for Final Resolution.

**Volume Cap Allocation.** The Company anticipates applying to the Authority for volume cap allocation during the first quarter of 2010.

**Financing Details.** The Company anticipates issuance of negotiated tax-exempt, weekly reset, variable rate bonds with a term not to exceed 30 years for the qualifying portion of the project. The Company plans to secure the bonds with an irrevocable, direct pay Letter of Credit that is rated at least “A-” by Fitch Rating Agency or equivalent. The target date for financing is the first quarter of 2010.

**Financing Team.**

**Underwriter:** Westhoff, Cone & Holmstedt  
**Bond Counsel:** Orrick, Herrington & Sutcliffe  
**Financial Advisor:** Andrew S. Rose  
**Issuer’s Counsel:** Office of the Attorney General

**Staff Recommendation.** Staff recommends approval of an extension to Initial Resolution No. 06-04 for Twin Bridges Development, Inc. and/or its Affiliates for an amount not to exceed \$4,625,000.

*Note: An Initial Resolution approval is not a commitment that the Board will approve a Final Resolution and bond financing of the proposed Project.*

Initial Resolution No. 06-04  
Application No. 00781 (SB)

AMENDMENT OF RESOLUTION OF OFFICIAL INTENT TO ISSUE BONDS TO  
FINANCE SOLID WASTE DISPOSAL FACILITIES FOR  
TWIN BRIDGES DEVELOPMENT, INC. AND/OR ITS AFFILIATES

March 25, 2009

WHEREAS, on April 25, 2006, the California Pollution Control Financing Authority (“Authority”) adopted its Initial Resolution No. 06-04 (the “Initial Resolution”) for Twin Bridges Development, Inc., a Nevada corporation, and/or its affiliates (the “Company”) for the financing the acquisition and improvement of an existing landfill, construction of buildings and other facilities at the landfill, and acquisition of solid waste processing and disposal equipment, as more fully described in the Application (collectively, the “Facilities”) in an amount up to \$4,625,000; and

WHEREAS, the Initial Resolution had an initial effective term of three years; and

WHEREAS, the Company has requested that the Initial Resolution be extended in order to permit completion of financing of the project described in the Initial Resolution.

NOW, THEREFORE, BE IT RESOLVED by the California Pollution Control Financing Authority as follows:

Section 1. The Authority finds and determines that the foregoing recitals are true and correct.

Section 2. Section 6 of the Initial Resolution is hereby amended to read in full as follows:

“It is intended that this Resolution shall constitute “some other similar official action” towards the issuance of bonds within the meaning of Section 1.103-8(a)(5) of the Treasury Regulations and “official intent” within the meaning of Section 1.150-2 of the Treasury Regulations, each as applicable under Section 103 of the Internal Revenue Code of 1986, as amended. It is also intended that this statement of “official action” or “official intent” by the Authority shall continue in full force and effect even if this Resolution ceases to be effective for other purposes.”

Section 3. Section 7 of the Initial Resolution is hereby amended to read in full as follows:

“This Resolution shall take effect immediately upon its passage and remain in full force and effect thereafter; provided that, this Resolution shall cease to be effective on March 25, 2012 unless the Authority specifically adopts a further resolution extending the effective date of this Initial Resolution. The Authority will do so only after receiving a specific request for such

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action from the Company, accompanied by an explanation of the status of the project and such other supplemental information as the Authority may request.”

Section 4. Except as specifically amended in this Section 2, the Initial Resolution remains in full force and effect. This Resolution shall take effect immediately upon its passage.